

UNCLASSIFIED

As of 20 1515 EDT Oct 03



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# ***DRAFT WORKING PAPERS Iraq Status***

This briefing is classified

**UNCLASSIFIED**

Derived from: Multiple Sources

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# Highlights

## CPA Priorities:

- Essential Services
- Security
- Governance
- Economy

## CPA Intermediate Objectives:

- Repair electric power infrastructure
- Rebuild the telecomms system
- Establish police training program
- Implement new media strategies
- Successful Donor's Conference

## Weekly Highlights:

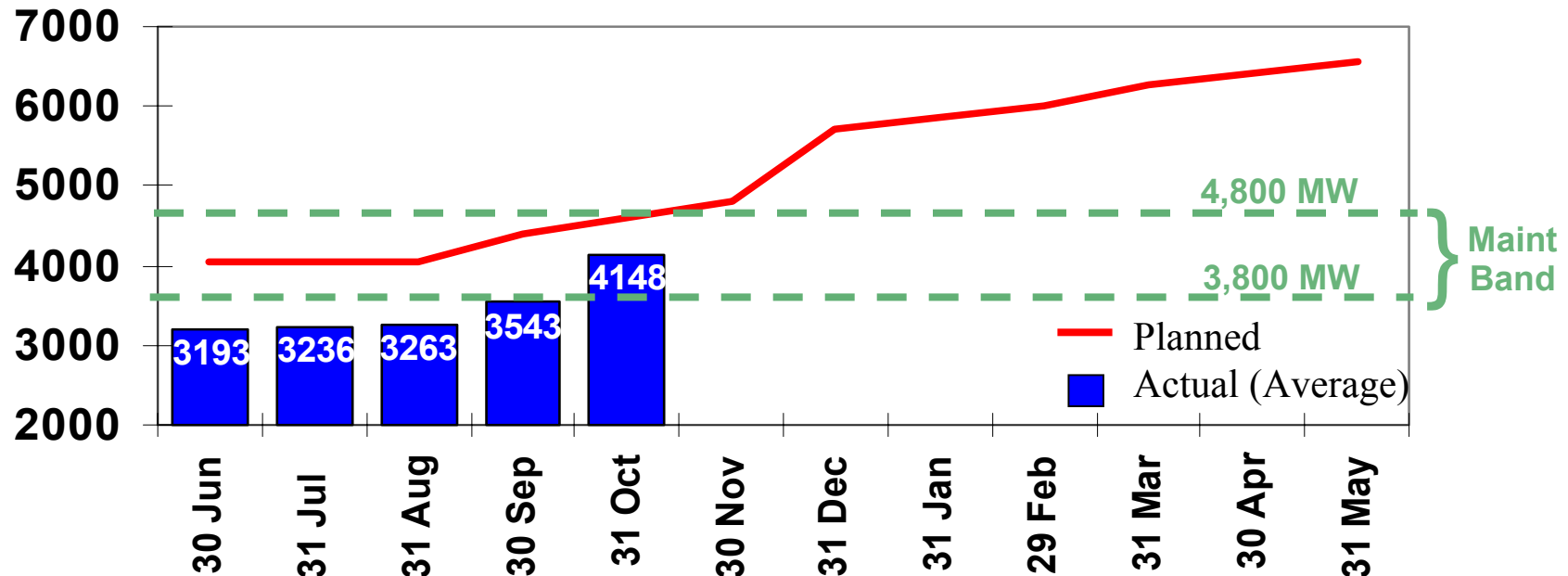
- Maintenance program for power plants began 10 Oct and ends in Mar 04 affecting power production
- 5,000 more Iraqi Police officers on duty in last two weeks; total exceeds 54,000
- Iraqi delegation departed for OIC meeting in Kuala Lumpur
- Currency exchange going well - no major problems



# TF Restore Iraqi Electricity (RIE) Overview

Goal 1 Oct 03: 4400 MW  
Production and Transmission

Goal 1 Jun 04: 6000 MW  
Production and Transmission



- Weekly National Electric Output: 4,086 MW
- Weekly Baghdad Power Consumption Average: ~1,400 MW
- Autumn Overhaul / Outage Program began 13 Oct 03 and ends Mar 04. Estimated power production range during this period is 3,800-4,800 MW as generators are taken off line for maintenance, currently 400MW offline for scheduled maintenance
- TF-RIE is tracking 26 Power Generation, Transmission, and Management Control Projects worth \$1.1 Billion. 23 of 26 projects are started

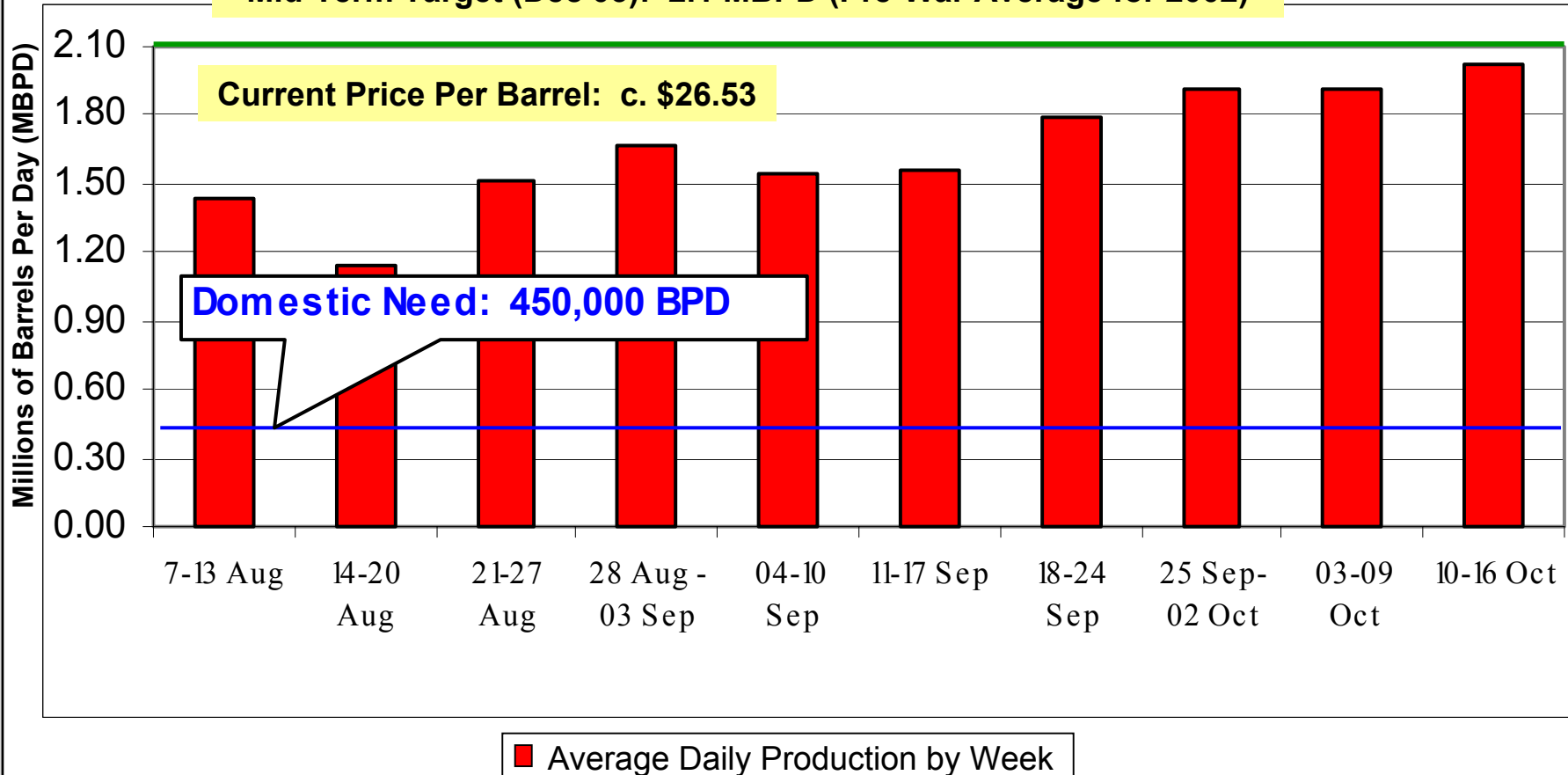


# Crude Oil Production

Mid-Term Target (Dec 03): 2.1 MBPD (Pre-War Average for 2002)

Current Price Per Barrel: c. \$26.53

Domestic Need: 450,000 BPD



**Long Term Target (Dec 04): 3.1 MBPD (Pre-War Capacity)**

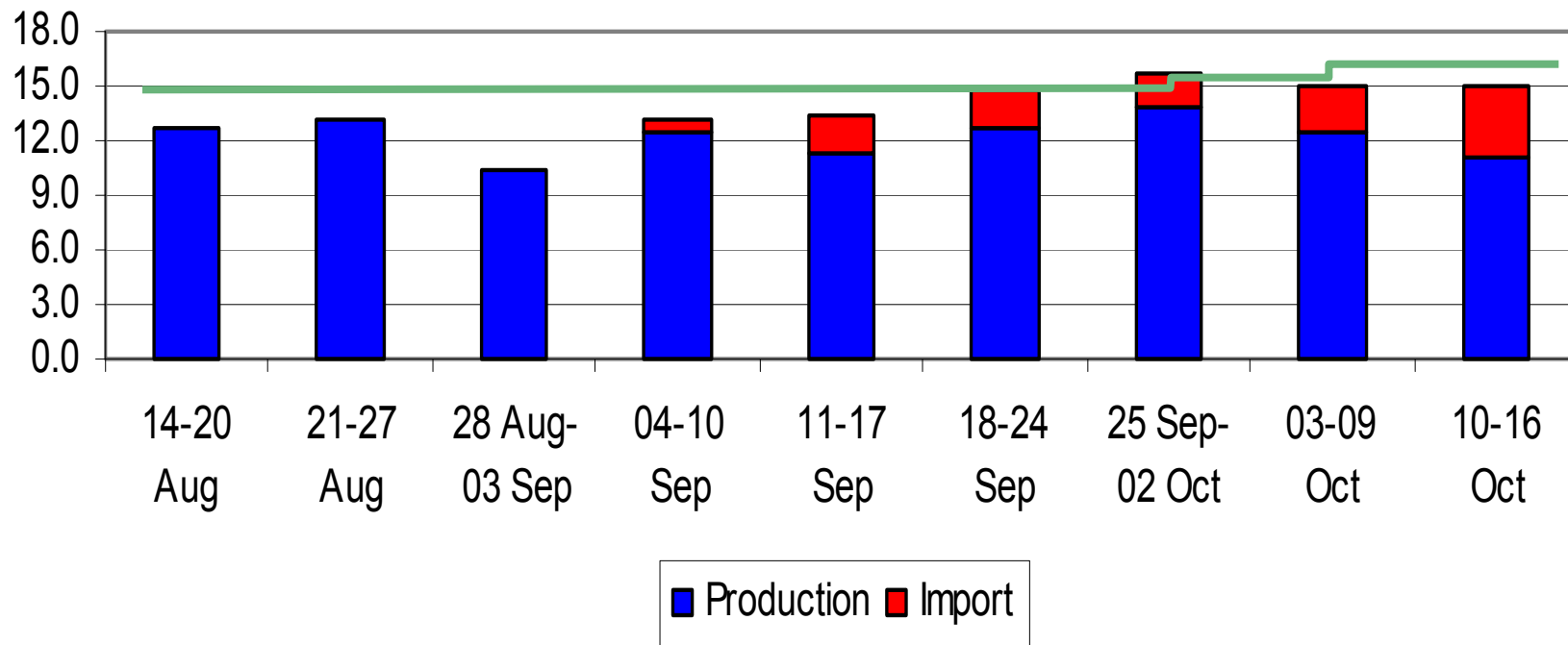
- Pre-War Peak: 2.5 MBPD in Feb 03
- Post-war Peak: 2.099 MBPD on 12 Oct 03



# Diesel Supply

M Liters /  
Day

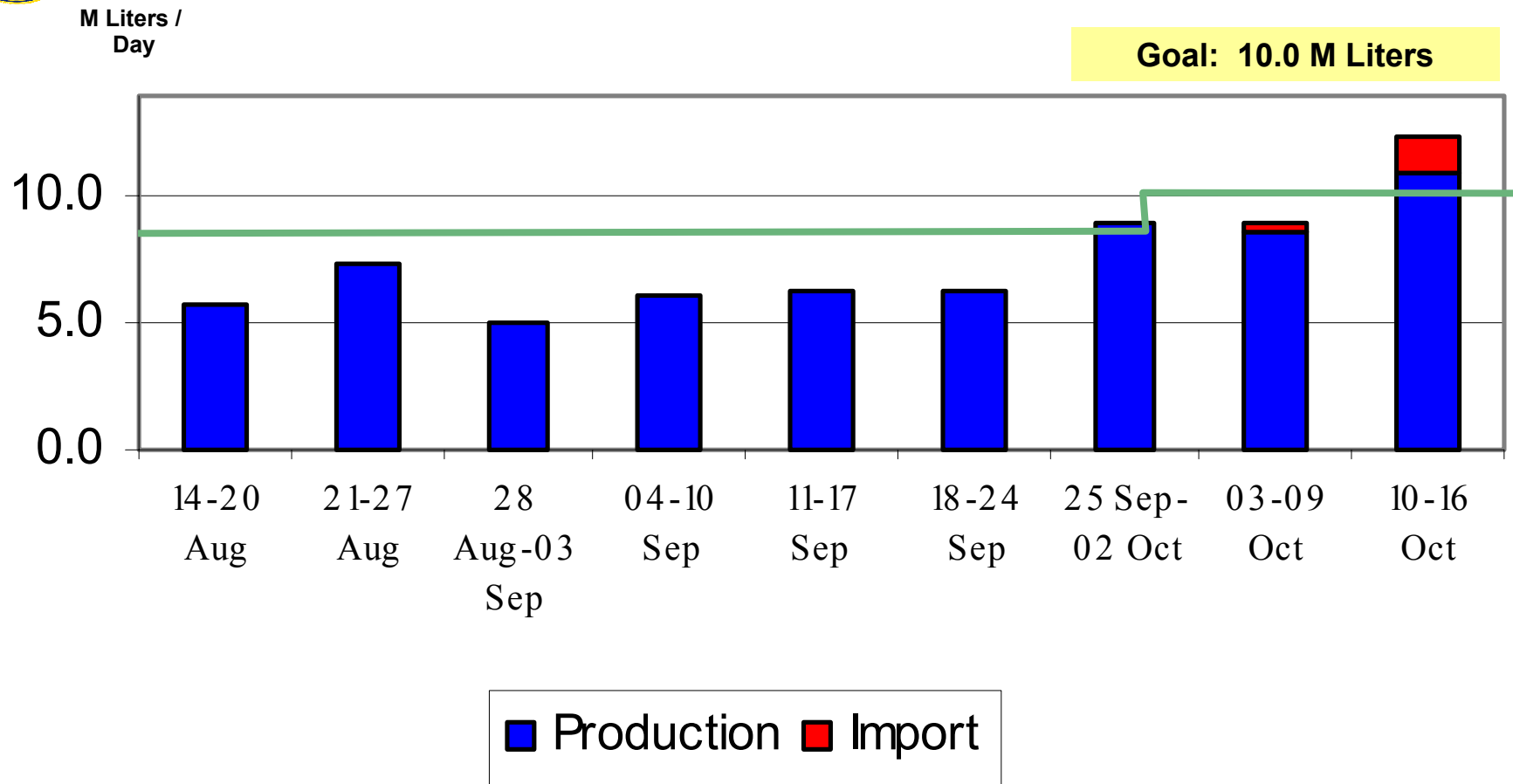
Goal: 16.0 M Liters



- Iraqi Ministry of Oil raised supply goal to 16.0 M liters/day
- Supply currently 94% of new goal



# Kerosene Production



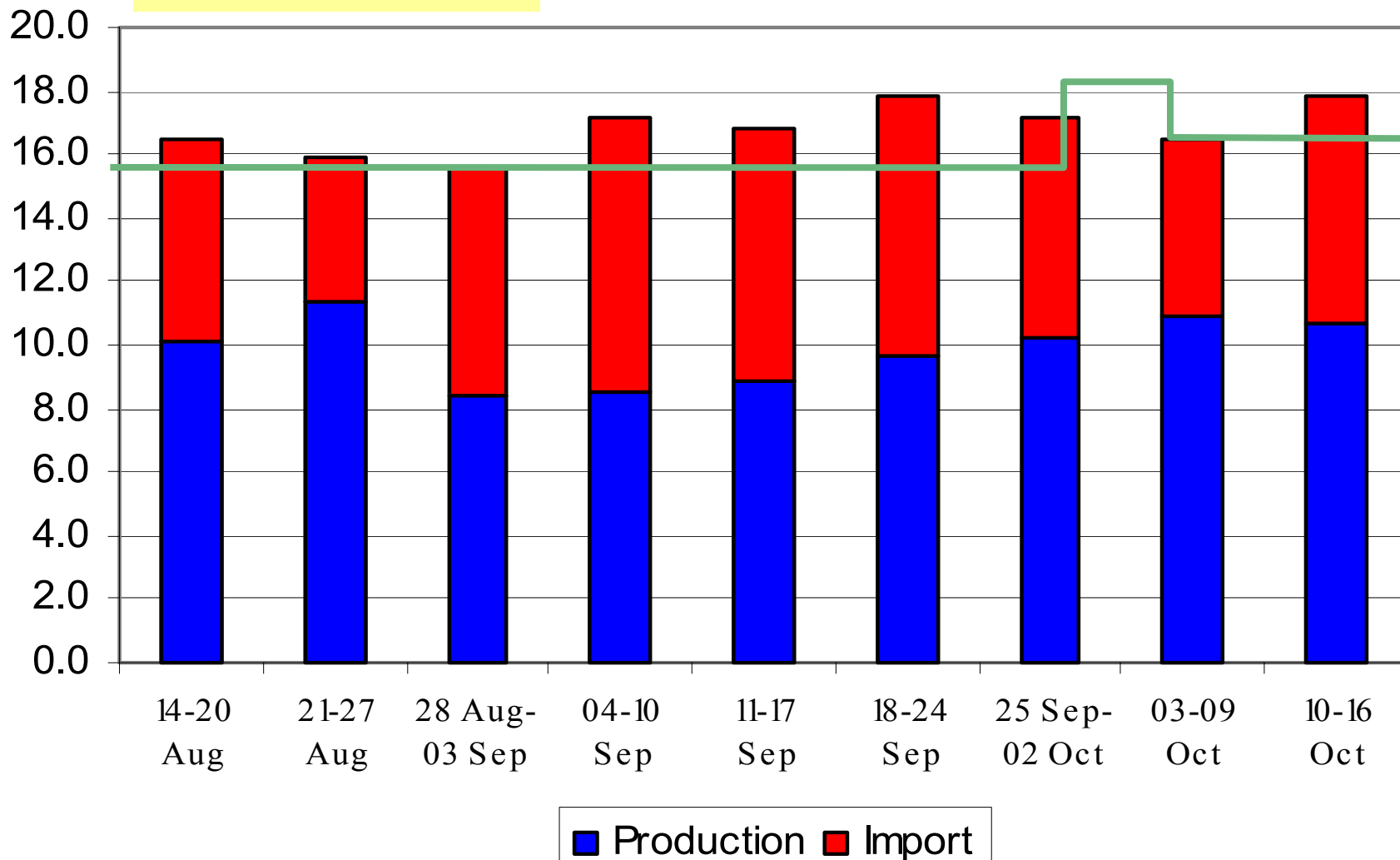
- Kerosene imports began 05 Oct. Initial goal = 2.0M liters/day
- Current supply 123% of total goal



# Gasoline / Benzene Supply

M Liters /  
Day

Goal: 16 M Liters



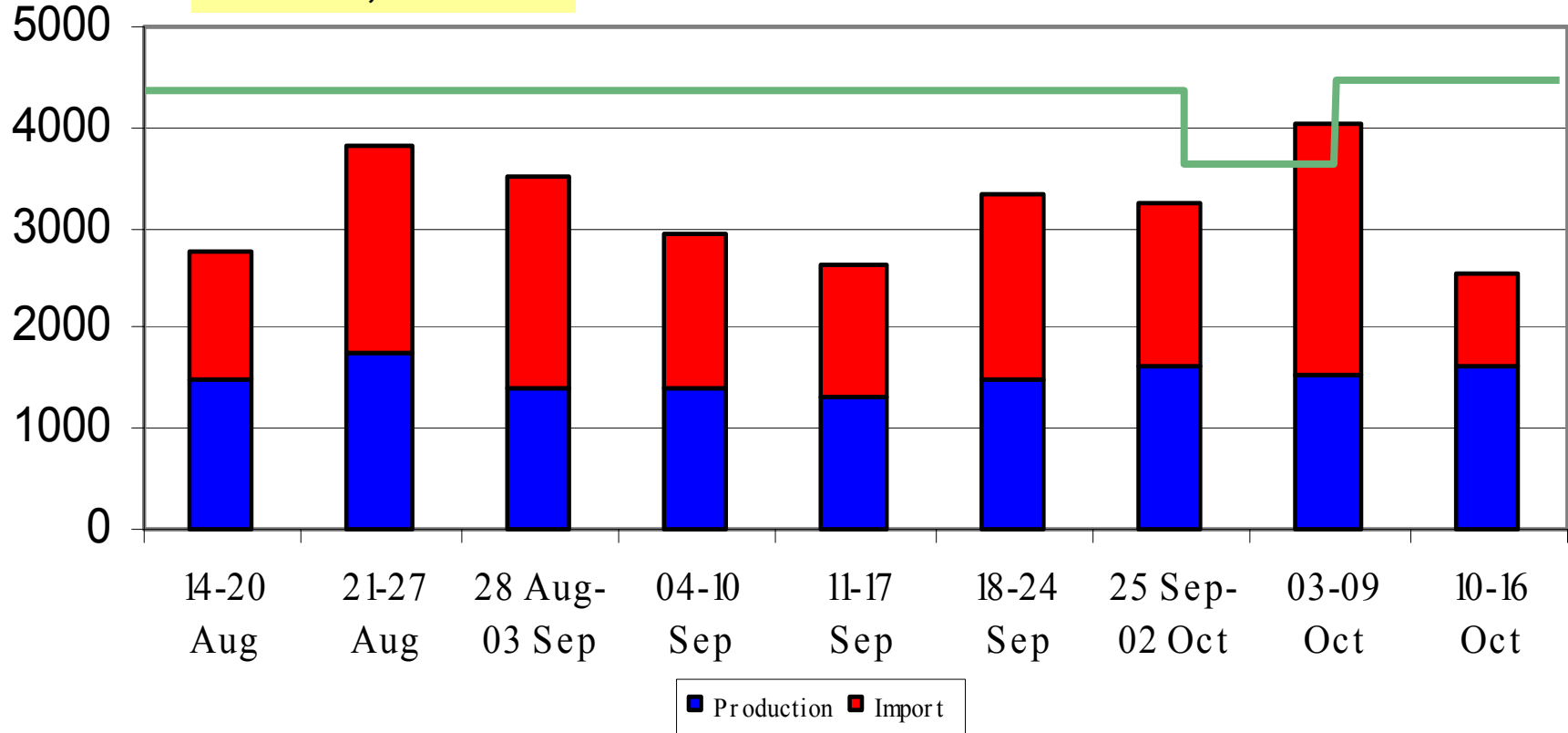
• Current supply 111% of goal



# Liquid Propane Gas Supply

Tons / Day

Goal: 4,125 Tons



- Labor disputes at South Gas Plant delayed testing and charging of 14" LPG pipeline; loading of line now underway
- Current supply 62% of revised goal





# Essential Services - Education

## Functioning Educational Institutions

- 01 Oct: Primary and secondary schools opened to some 5.5 million students
- 20 Major Universities
- 02 Oct: Mosul University graduated 2,200 students
- 43 Technical Schools
- Foundation Technical Institute graduated 1,200

## Current Activities

- UNICEF-printed textbooks will be delivered in November 03
- Saddam Hussein's image removed from texts
- Ministry of Education distributing 1.5 million bookbags with basic supplies to secondary school students

K-12 School Buildings In Iraq	13,597
Rehabilitations Completed by 10/14	1,628
Rehabilitation goal by 10/1	1,000
Ongoing school rehabilitations	393

Includes repair / replacement of doors, windows, restroom facilities; generally no major reconstruction or new construction



# Essential Services - Healthcare

## Milestones

- Oct 03: Achieve 100% of pre-war level of healthcare throughout Iraq
- EOY 03: 70-80% national coverage for children's immunizations
- FY 04: Update medical technologies and fix infrastructure / equipment

## Current Activities

- Kirkuk GC coordinating with Turkish and Iraqi Red Crescent to build and operate a city hospital
- Installation of generators 75% complete at six hospitals
  - Program on course to install 128 generators and 10 uninterrupted power supply units throughout Baghdad this year
  - \$40 million initiative
- 17 Iraqi children receive specialized medical care in Germany
  - MEDEVAC by US Air Force from Baghdad on 05 Oct to Ramstein Air Base



# Essential Services - Water

## Water Supply and Sewage Treatment Milestones (in Liters)

	Pre-War	Post-war	Jun 04	Nov 04
Potable Water Availability	12.9 Million	4.0 Mil	13.4 Mil	21.3 Mil
Sewage System Coverage	6.2 Million		85% cap	

### Current Activities

- Ministry of Municipalities and Public Works accepted United Nations Development Group / World Bank Needs Assessment for sector report at Madrid donors' conference
- 800 Facilities Protection Service officers trained to protect all 26 dam sites in Baghdad and four sites in Diyala Governorate (about 40% of total officers needed)
- Iraqi engineers working in California with US Army Corps of Engineers on Tigris-Euphrates reservoir simulation model

Irrigation Canals	Km (est)
Total Irrigation Canals in Iraq	27,000
Canals needing clearance May 03	20,000
Canals cleared as of 27 Sept	14,500
Canals being cleared per week	500

### Water Sources

- 25 major dams
- 275 pumping stations
- Produce 17% of Iraq's electricity
- Irrigate 3.25M hectares of land

# Essential Services - Telecommunications



## TELECOM Connections

Type	Pre-War	Sept 2003	Jan 2004 Goal
Landline	1,100,000	850,000	1,100,000
Wireless	0	0	50,000
Internet	4,500	4,900	50,000

## Milestones

- Sep 03: Internet connectivity established to 15 of 18 governates
- Oct 03: Cell phone contracts awarded to Asia-Cell (N), Orascom (C), Atheer (S)
- Oct 03: Issue regulations encouraging competition and wireless Internet
- 23-24 Oct: Restore international landline connectivity
- Dec 03: Begin cell phone service
- Dec 03: Restore nationwide landline connectivity



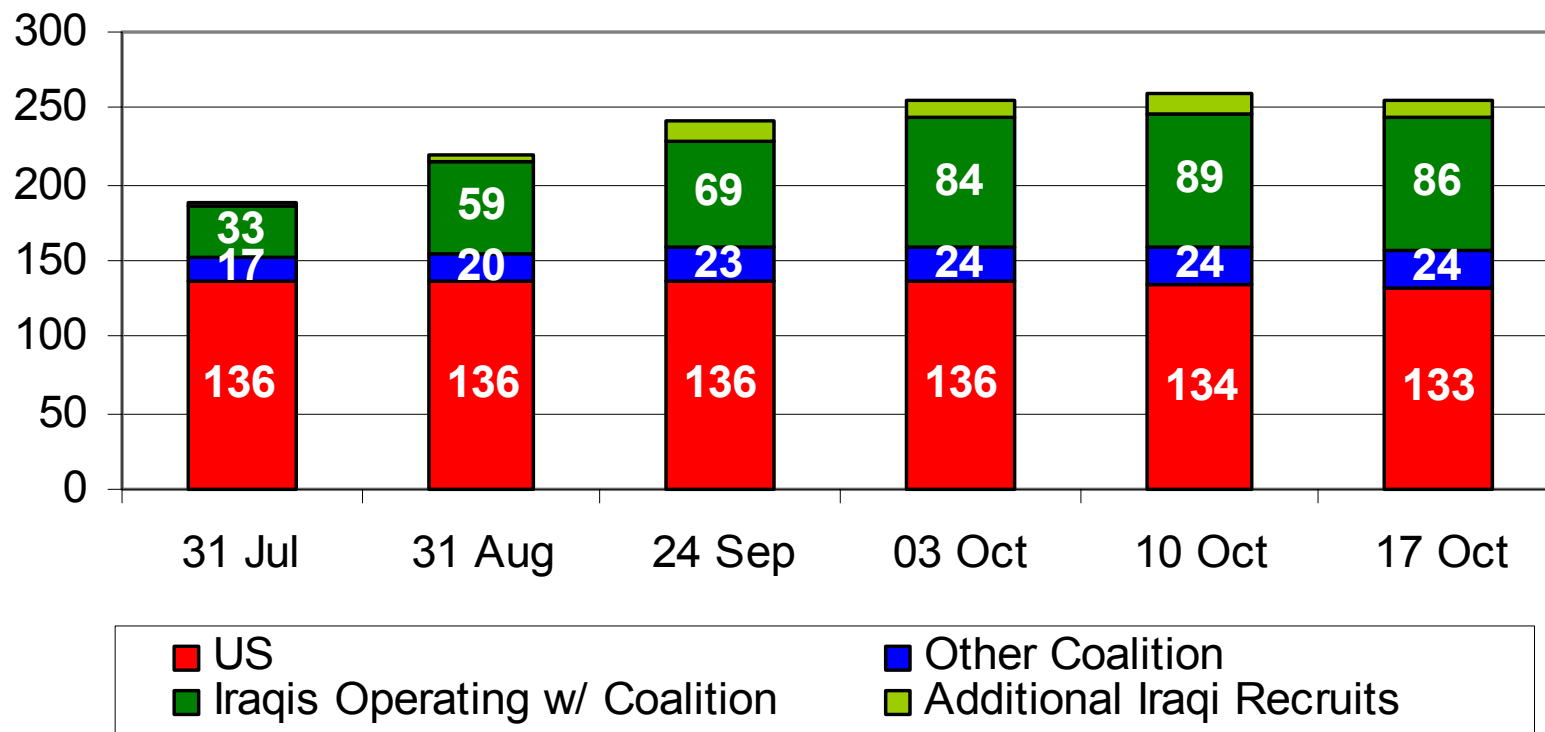
## Essential Services - Transportation

- 36 bridges prioritized for repair by CPA and Ministry of Transportation
- Railroad track repair to support grain shipment
  - Land Transport State-Owned Enterprise awarded competitive contract to transport CJTF-7 containers
  - Major step toward creation of intermodal transport network
- 85% of roads already paved
- Baghdad and Basrah ready for daily NGO flights
  - 05 Oct: BIAP passenger terminal opened to process passengers for Royal Wings charter flights
  - Minister to sign overflight agreement to collect \$375 per aircraft flying over Iraqi airspace; potentially generating \$20 - \$40M per year
- Seaports handle 30-40 humanitarian and commercial ships monthly



# Total Security Forces in Iraq

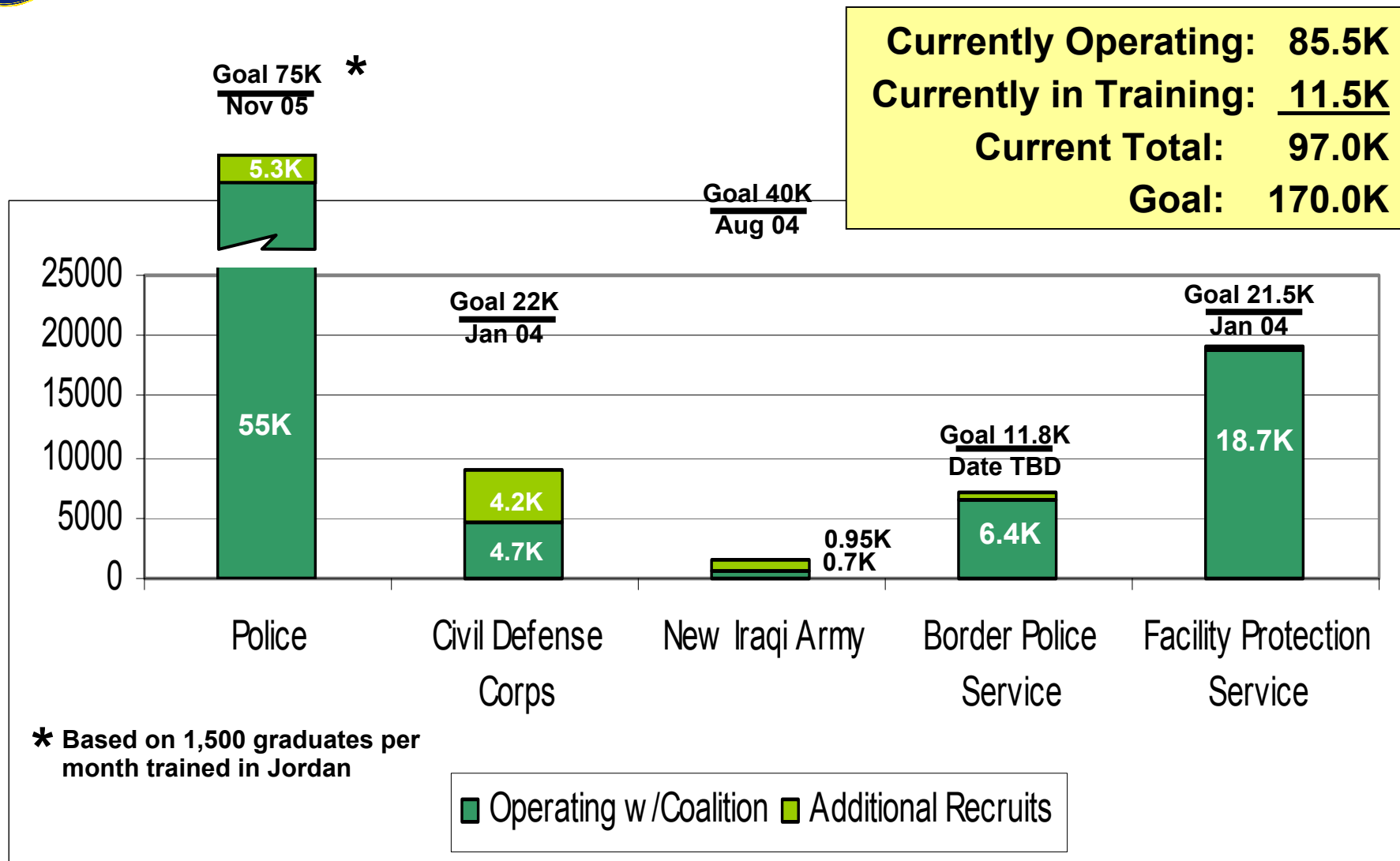
(x1000)



- Iraq Security Force casualties (since 01 Jun): 82 KIA, 127 WIA
- US Forces decreasing as a percentage of total forces



# Iraqi Security Forces





# Stability Contributors

## Countries with forces in Iraq

**32**
**TOTAL ~24,000**

- |               |               |
|---------------|---------------|
| • Albania     | • Macedonia   |
| • Azerbaijan  | • Moldova     |
| • Bulgaria    | • Mongolia    |
| • Czech Rep   | • Netherlands |
| • Denmark     | • New Zealand |
| • Dom Rep     | • Nicaragua   |
| • El Salvador | • Norway      |
| • Estonia     | • Philippines |
| • Georgia     | • Poland      |
| • Honduras    | • Portugal    |
| • Hungary     | • Romania     |
| • Italy       | • Slovakia    |
| • Kazakhstan  | • Spain       |
| • Korea       | • Thailand    |
| • Latvia      | • Ukraine     |
| • Lithuania   | • UK          |

## Countries considering decision to provide forces for Iraq

**14**
**TOTAL TBD**

**46 Countries**  
**Potentially Supporting**  
**Iraqi**  
**Stability and**  
**Humanitarian Relief**

As of 17 Oct 03





# Governance - National

## MILESTONES

- 14 Jul: GC established
- 11 Aug: Constitutional Prep Committee appointed
- 01 Sep: Highly qualified interim cabinet ministers appointed
  - 9 PhDs, remainder with advanced degrees
  - 2 physicians, 1 attorney, numerous engineers
- 10 Sep: Governor of Central Bank named
- 19 Sep: Council of Judges established to supervise judicial and prosecutorial systems (began work 04 Oct) - provides independent judiciary
- Oct: Constitutional Prep Committee submits report with 3 options to choose Convention - favors direct elections for reps
- Next 90 days: Enhance capacity for elections; determine method to choose Constitutional Convention
- Challenges: Competent delegates to constitutional convention



# Governance - International Recognition

## MILESTONES

- 08 Sep: Arab League grants seat to GC
- 12 Sep: GC members seated at UN session
- 20 - 21 Sep: GC - Ministerial delegation attended WB / IMF meetings in Dubai
- 24 Sep: Iraqi delegation attends OPEC meeting
- 22 Sep - 03 Oct: 13 GC members attend UN sessions
- 02 Oct: GC President Chalabi addresses UN GA
- 08 Oct: GC reps attend OIC Kuala Lumpur meeting
- 16 Oct: UNSC approves resolution inviting GC to submit by 15 Dec a timetable for drafting new constitution and holding democratic elections
- 17 Oct: 108 Iraqi delegates to attend Madrid Donors' Conference



## Governance - Local

**255 municipal councils mostly in urban areas**

- **100% of Iraqis represented by a council at municipal or governate level**
- **Excludes three northern governates operating under governance system established prewar**

**Baghdad has one city, 88 neighborhood, and 9 district councils**

- **First time in 35 years people of Baghdad have direct, meaningful say in community affairs**
- **Represent all 5.5 million citizens in city of Baghdad**
- **Councils are interim and advisory**
- **Basic public services and social issues**
- **Work with Baghdad municipal employees, Iraqi ministries, GC, and coalition officials**

**Challenges:**

- **Increasing involvement of women**
- **Enhancing credibility of local councils**



## Economics - Financial Market Structures

- Rafidain and Rasheed Banks reopen over 280 branches across the country
- Satellite voice and data systems for Rafidain, Rasheed, and Central Bank will be installed by end of Oct at 80 locations, enhancing communications
- New Central Bank begins currency auctions
- Central Bank developing procedures for foreign bank licensing and establishing representative offices in Iraq
- Central Bank begins more rigorous supervision of Iraqi banks
- New nominee for Iraq Trade Bank under review

### CURRENCY EXCHANGE GOING WELL

- Ongoing in approximately 250 bank branches
- Began 15 Oct; completion date 15 Jan 04
- Approximately 2 billion banknotes to be exchanged



# Economics - Private Sector Development

- CPA circulates draft order consolidating state-owned enterprises into government ministries
- New order promotes foreign investment
  - Allows 100% foreign ownership of Iraqi businesses
  - Foreign firms able to lease (not own) land up to 40 years
- Small and Medium-sized Enterprises:
  - World Bank proposes facility for small business development to include \$30M for technical assistance and \$70-100M for investment financing
  - CPA to award \$15M for National Micro and Small Enterprise Credit Program
- CPA assessed 153 state-owned enterprises and determined disposition plan for each



## Economics - Donors' Conference

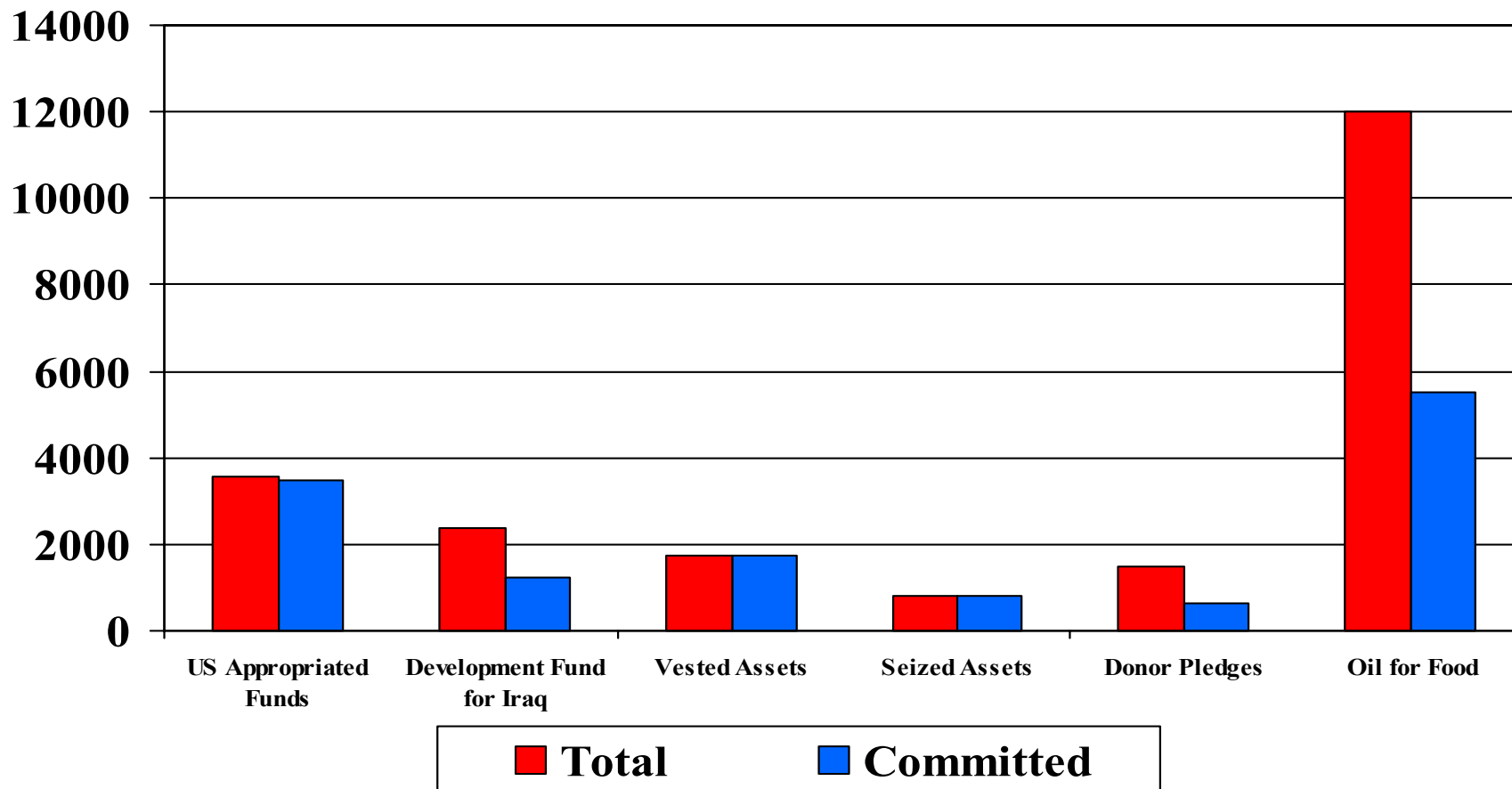
- **United Nations, World Bank, and International Monetary Fund estimate costs to build Iraqi infrastructure: \$50 - 75B**
- **\$20.3B Supplemental covers 27 - 40% of the estimate**
- **USG and Coalition continue campaign to improve outcome of the Conference**
  - **UK announces \$870M multi-year package**
  - **Japan unveils \$1.5B in grants in 2004**
    - **Considering \$5B for reconstruction over four-year period**
- **09 Oct: World Bank proposes tightly coordinated joint donor committee with UNDG trust funds and Multi-donor Trust Fund**
- **09 Oct: World Bank publishes Needs Assessment on website**
- **16 Oct: UNSC resolution facilitates IMF / World Bank lending to Iraq**



# Iraq Funds Status (\$ Millions)

**Total Available \$9,662**

**Total Committed \$6,804**



Note: UN Oil for Food escrow account at approx \$12B prewar. Approx \$5.5B has been "prioritized." Review of remaining contracts to be completed in weeks and residual funds transferred to DFI